

OPEN MEETING ITEM

COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

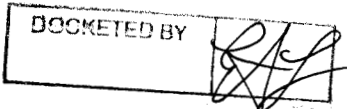


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ARIZONA CORPORATION COMMISSION

ORIGINAL

DATE: SEPTEMBER 24, 2015
DOCKET NO.: T-20741A-15-0136



TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Sasha Paternoster. The recommendation has been filed in the form of an Opinion and Order on:

MIDVALE TELEPHONE COMPANY, INC.
(CC&N EXTENSION)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

OCTOBER 5, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

OCTOBER 20, 2015 and OCTOBER 21, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347
www.cc.state.az.us

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 SUSAN BITTER SMITH - Chairman
4 BOB STUMP
5 BOB BURNS
6 DOUG LITTLE
7 TOM FORESE

8 IN THE MATTER OF THE APPLICATION OF
9 MIDVALE TELEPHONE COMPANY, INC. FOR
10 APPROVAL OF AN EXTENSION OF ITS
11 CERTIFICATE OF CONVENIENCE AND
12 NECESSITY TO SERVE AN ADDITIONAL AREA
13 IN YAVAPAI COUNTY.

DOCKET NO. T-20741A-15-0136

DECISION NO. _____

OPINION AND ORDER

10 DATE OF HEARING: September 1, 2015

11 PLACE OF HEARING: Phoenix, Arizona

12 ADMINISTRATIVE LAW JUDGE: Sasha Paternoster

13 APPEARANCES: Mr. Timothy J. Sabo, SNELL & WILMER, L.L.P., on
14 behalf of the Applicant; and

15 Ms. Maureen Scott, Staff Attorney, Legal Division, on
16 behalf of the Utilities Division of the Arizona
Corporation Commission.

17 **BY THE COMMISSION:**

18 Having considered the entire record herein and being fully advised in the premises, the
19 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

20 **FINDINGS OF FACT**

21 1. On April 24, 2015, Midvale Telephone Company, Inc. ("Midvale") filed with the
22 Commission, an application requesting that the Commission approve an extension of its Certificate of
23 Convenience and Necessity ("CC&N") to provide telecommunications services in Yavapai County.

24 2. On May 26, 2015, the Commission's Utilities Division ("Staff") filed a Sufficiency
25 Letter stating that Midvale's amended application for an extension of its CC&N had met the
26 sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

27 ...

1 3. On June 4, 2015, Staff filed a Corrected Sufficiency Letter removing the word
2 “amended” application from the Sufficiency Letter.

3 4. On June 8, 2015, by Procedural Order, Midvale was directed to docket a filing to
4 clarify the types of services Midvale intends to provide if the Commission grants its application for
5 an extension of its CC&N.

6 5. On June 9, 2015, Midvale docketed a Response to Procedural Order, stating Midvale
7 proposes to provide facilities-based local exchange service and toll access service in the extension
8 area.

9 6. On June 15, 2015, by Procedural Order, the hearing in this matter was set for
10 September 1, 2015, and other procedural deadlines were established.

11 7. On July 22, 2015, Midvale filed its Responses to Staff’s First Set of Data Requests.

12 8. On July 28, 2015, Midvale docketed a Notice of Filing Affidavit of Publication,
13 showing publication of the application and hearing date had been published in *The Daily Courier*, a
14 daily newspaper published in Yavapai County, Arizona on July 8, 2015.

15 9. On August 4, 2015, Staff filed a Staff Report recommending approval of Midvale’s
16 application, subject to certain conditions.

17 10. No intervention requests were filed.

18 11. On August 21, 2015, a Notice to the Parties was filed by the Administrative Law
19 Judge (“ALJ”) assigned to this matter.

20 12. On September 1, 2015, a full public hearing was convened before a duly authorized
21 ALJ of the Commission at its offices in Phoenix, Arizona. Midvale and Staff appeared through
22 counsel and presented evidence and testimony.

23 13. Midvale is an Idaho corporation engaged in the provision of telecommunications
24 services and authorized to conduct business in Arizona. (Ex. A-1 at 1.)

25 14. Pursuant to a CC&N initially granted by the Commission in Decision No. 58048
26 (October 29, 1992), and subsequently amended, Midvale is an incumbent local exchange carrier
27 providing local exchange and toll access services in a service area that includes five exchanges:
28 Cascabel, Young, Silver Bell, Granite Mountain, and Mill Site. Midvale currently serves

1 approximately 1,175 rural residential customers and 99 rural business customers. (Ex. S-1 at 1.)

2 15. The legal description of the proposed extension area is Sections 8 and 17, Township
3 13 North, Range 3 East, Gila & Salt River and Meridian, Yavapai County, Arizona.

4 16. Midvale has received a request for service from Waste Management of Arizona
5 ("Waste Management"), which occupies the only private land within the proposed extension area.
6 The remaining extension area is Forest Service land which Midvale included so that the extension
7 request is comprised of full sections. (Ex. A-1 at 3.)

8 17. Midvale will provide services to the proposed extension area by extending a fiber
9 optic cable approximately 7.2 miles from Midvale's existing Mill Site exchange. (Tr. at 8, 12.)

10 18. Waste Management is soliciting bids from contractors and will incur the cost of the
11 joint trench that will be laid with a power cable from Arizona Public Service along with Midvale's
12 fiber optic cable. (Tr. at 8.) The contractor will construct the duct and pull boxes for fiber optic
13 cable per Midvale's specifications. Waste Management has obtained all required clearances from
14 Arizona Department of Transportation and the Prescott National Forest. Waste Management
15 anticipates awarding the contractor bid by October 7, 2015, with construction to begin by November
16 1, 2015, and completion in 2016. (Ex. S-1 at 1-2.)

17 19. Midvale will incur the cost of the fiber optic cable installed in the joint trench. Once
18 the project is completed, Midvale will install the fiber optic cable in the duct and perform any other
19 work required to provide service, which it believes will take less than a month to finish. (Ex. S-1 at
20 2.)

21 20. According to Midvale, its current Mill Site exchange switch and central office has
22 adequate switching capacity and the fiber electronics to extend to the proposed extension area, and
23 therefore no additional facilities will be required. Additionally, Midvale believes its plant
24 maintenance and customer service will not be impacted by the extension project. (Ex. S-1 at 2.)

25 21. Midvale states it has no current customers in the proposed extension area and that
26 Waste Management is the only prospective customer for the area. As a result, the projected number
27 of customers in the extension area for each of the first five years is one. (Ex. A-1 at 4.)

28 ...

1 22. Midvale intends to charge Waste Management the same rates and charges currently
2 used in its Mill Site exchange. (Ex. A-1 at 4.) Pursuant to Midvale's authorized tariff, the basic
3 business local exchange service is \$30.00 and includes options for caller identification, call
4 forwarding, call waiting, and 3-way calling which can be purchased in a package for a discount. (Ex.
5 S-1 at 2.)

6 23. According to the Staff Report, Midvale has an 800 number attended to five (5) days a
7 week, eight (8) hours a day for customer service related issues. In the event of an emergency,
8 Midvale also has employees available to correct any problems. (Ex. S-1 at 2.)

9 24. For the period from January 1, 2012 to July 15, 2015, the Commission's Consumer
10 Services Section reported that Midvale received one complaint in 2012 that has since been resolved.
11 Staff stated Midvale is in good standing with the Commission's Corporations Division and is in
12 compliance with the Utilities Division Compliance Section. (Ex. S-1 at 3.)

13 25. Staff recommends approval of Midvale's request to add the proposed extension area
14 to Midvale's CC&N service area and further recommends that:

15 (a) Midvale be required to update its service area maps on file with the Commission
16 within sixty (60) days of a Decision granting the application, and

17 (b) Midvale be authorized to include the proposed extension area as part of its Mill
18 Site exchange and that it apply its currently authorized tariff rates and charges for the Mill Site
19 exchange to the extension area until further Order by the Commission.

20 26. Midvale is willing to comply with all of Staff's recommendations. (Tr. at 9.)

21 27. Staff believes that it is in the public interest to approve Midvale's application.

22 28. Midvale has the requisite technical and financial capabilities to provide
23 telecommunications services to the proposed extension area.

24 29. Staff's recommendations in Finding of Fact No. 25 are reasonable and should be
25 adopted.

26 CONCLUSIONS OF LAW

27 1. Midvale is a public service corporation within the meaning of Article XV of the
28 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Midvale and the subject matter of the application.

3. Notice of the application was given in accordance with the law.

4. There was no objection to Midvale's extension request.

5. There is an existing need for telecommunications services in the proposed extension area.

6. Pursuant to Article XV of the Arizona Constitution and the Arizona Revised Statutes, it is in the public interest to extend Midvale's CC&N service area to include the extension area requested, which is more fully described in Findings of Fact No. 15 and is shown in Exhibit A attached hereto.

7. Midvale is a fit and proper entity to receive an extension of its CC&N service area to include the extension area.

8. It is just and reasonable and in the public interest to allow Midvale to charge in the extension area the rates and charges in Midvale's existing tariffs on file with the Commission for its Mill Site exchange.

9. It is in the public interest to allow the extension area to be included in Midvale's Mill Site exchange.

10. Staff's recommendations, as set forth in Findings of Fact No. 25, are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the application of Midvale Telephone Company, Inc.'s for an extension of its Certificate of Convenience and Necessity to include the service area described in Findings of Fact No. 15 and as shown in Exhibit A, attached hereto and incorporated herein by reference, is hereby granted.

IT IS FURTHER ORDERED that the extension area shall be included within Midvale Telephone Company, Inc.'s Mill Site exchange.

IT IS FURTHER ORDERED that Midvale Telephone Company, Inc. shall, within sixty (60) days after the effective date of this Decision, file with the Arizona Corporation Commission's Docket

Control, as a compliance item in this docket, an updated service map showing the extension area approved herein.

IT IS FURTHER ORDERED that Midvale Telephone Company, Inc. shall charge in the extension area those rates and charges set forth in Midvale Telephone Company, Inc.'s existing tariffs on file with the Commission for the Mill Site exchange.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____ 2015.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____
SP:ru(tv)

1 SERVICE LIST FOR: MIDVALE TELEPHONE COMPANY, INC.

2 DOCKET NO.: T-20741A-15-0136

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YAVAPAI COUNTY

DOCKET NO. T-20741A-15-0136

EXHIBIT A (Page 1 of 2)



Midvale Telephone Exchange, Inc.
Docket No. T-20741A-15-0136
(Application for CC&N Extension)

| | | | | |
|----------------------------|--------------|----|----|----|
| 05 | 04 | 03 | 02 | 01 |
| 06 Midvale (15-0136) | 09 | 10 | 11 | 12 |
| 17 Midvale (15-0136) | 16 | 15 | 14 | 13 |
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| 32 | 33 | 34 | 35 | 36 |



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602.542.4251

DECISION NO. _____

EXHIBIT A
(Page 2 of 2)

Midvale Telephone Company, Inc.
Application to Extend CC&N

LEGAL DESCRIPTION

Sections 8 and 17, Township 13 North, Range 3 East, Gila & Salt River Base and Meridian,
Yavapai County, Arizona.

DECISION NO. _____